

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF SOUTH CAROLINA

In the Matter of the Petition of the South
Carolina Telephone Coalition for a
Determination that Wireless Carriers are
Providing Radio-Based Local Exchange
Services in South Carolina that Compete
with Local Telecommunications Services
Provided in the State

Docket 2015-290-C

**SURREBUTTAL TESTIMONY OF DON PRICE
ON BEHALF OF CTIA – THE WIRELESS ASSOCIATION®**

October 27, 2015

1 **I. INTRODUCTION**

2 Q. **Please state your name and business address.**

3 A. My name is Don Price. My business address is 107 Rainbow Dr. #708,
4 Livingston, TX, 77399.

5 Q. **Are you the same Don Price who previously filed responsive testimony**
6 **in this proceeding?**

7 A. Yes, I am.

8 Q. **What is the purpose of your surrebuttal testimony?**

9 A. The purpose of my surrebuttal testimony is to respond to the rebuttal
10 testimonies of Larry Thompson, Emmanuel Staurulakis, Douglas Meredith
11 and Keith Oliver filed on behalf of South Carolina Telephone Coalition
12 (SCTC); Alan Lubeck filed on behalf of United Telephone Company of the
13 Carolinas d/b/a CenturyLink (CenturyLink); Betty Willis filed on behalf of
14 Windstream South Carolina, LLC and Windstream Nuvox, LLC (collectively,
15 Windstream); Susan Miller filed on behalf of Frontier Communications of
16 the Carolinas LLC (Frontier); and Christopher Rozycki filed on behalf of the
17 Office of Regulatory Staff (ORS).

18 My testimony is divided into three sections. First, I will address the
19 statutory criteria that apply to determine whether a wireless carrier must
20 contribute to the South Carolina Universal Service Fund (USF). Second I will
21 discuss how those criteria apply in this case. Based on this analysis, I
22 conclude that neither SCTC nor any other party has met (or even attempted
23 to meet) the statutory test that the Commission must apply in making its

determination in this case. Third, I will discuss other issues raised in SCTC's rebuttal testimony.

II. STATUTORY CRITERIA

Q. In your initial testimony, how did you summarize the applicable statutory criteria for determining the existence of competition?

A. I explained that parties alleging that one service competes with another must establish the following: the "particular service" with which competition is alleged; the "identifiable class or group of customers" of the service; a "clearly defined geographic area" in which those customers consume the defined service; and the presence of "two or more providers" making available "the service, its functional equivalent, or a substitute service" to the defined customer class in the defined geographic area.

Q. Has SCTC proposed an alternative test for determining competition?

A. No. Although SCTC's witnesses take issue with the statutory criteria I have outlined, none of them sets forth a definitive test that SCTC claims the Commission should apply. Mr. Oliver comes closest, asserting alternatively that the standard should be based on the perceptions of the average consumer (Oliver Reb. at 2) or based on whether a wireless carrier competes with local telecommunications service anywhere in the state (Oliver Reb. at 8). SCTC's other witnesses ask the Commission to make its determination based on an assessment of competition between wireless voice services (in general) and wireline voice services (either local voice

1 services or all voice services), but without stating a specific test for when
2 such competition would exist. (Thompson Reb. at 2; Meredith Reb. at 2-3.)

3 **Q. Are these approaches consistent with the statutory provisions at issue**
4 **here?**

5 A. No. Even from my perspective as a layman, it appears to me that SCTC's
6 witnesses have failed to read these provisions correctly. I will briefly
7 discuss below my reasons for disagreeing with their interpretations of
8 subsections 58-9-280 (E)(2), (E)(3) and (G)(1) of the South Carolina Code
9 (Subsection (E)(2), Subsection (E)(3) and Subsection (G)(1), respectively). I
10 understand the legal perspective on these issues will be more fully briefed
11 by CTIA's counsel later in this proceeding.

12 **Q. Do SCTC's witnesses explain how Subsections (E)(2) and (E)(3) relate**
13 **to one another?**

14 A. No. They seem to rely on one or the other at any given time, but do not
15 explain how they relate to one another.

16 **Q. Is there a simple explanation for how Subsections (E)(2) and (E)(3)**
17 **relate?**

18 A. Yes. Subsection (E)(2) states that telecommunications companies must
19 contribute to the USF as determined by the Commission:

20 (2) The commission shall require all telecommunications
21 companies providing telecommunications services within
22 South Carolina to contribute to the USF *as determined by the*
23 *commission.*

24 (Emphasis added.) Subsection (E)(3) states how the Commission makes
25 such a determination for "radio-based local exchange services," which SCTC
26

1 has asserted, and I have not disputed for purposes of my testimony in this
2 docket, are wireless services:

3 (3) The commission also shall require any company providing
4 telecommunications service to contribute to the USF if, after
5 notice and opportunity for hearing, *the commission determines*
6 that the company is providing private local exchange services
7 or radio-based local exchange services in this State that
8 compete with a local telecommunications service provided in
9 this State.

10

11 (Emphasis added.) Thus, it seems clear to me that the SCTC witnesses'

12 efforts to shift the focus in this case to Subsection (E)(2) are misguided.

13 Subsection (E)(3) is the provision the Commission must apply here.

14 **Q. Has SCTC previously acknowledged that Subsection (E)(3) governs this**
15 **case?**

16 A. Yes. Its petition in this docket was filed "pursuant to S.C. Code Ann. § 58-9-
17 280(E)(3) and 10 S.C. Code Ann. Regs. 103-825." Accordingly, in the notice
18 issued for this docket, the Commission noted that SCTC and its member
19 companies "have filed with the [Commission] a Petition seeking to have the
20 Commission make a determination, pursuant to S.C. Code Ann. §58-9-
21 280(E)(3) and 10 S.C. Code Ann. Regs. 103-825"

22 **Q. What impact does Subsection (E)(3) have on the Commission's**
23 **determination in this proceeding, and on the proposals of SCTC's**
24 **witnesses?**

25 A. It has a significant impact. First, Subsection (E)(3) requires that a
26 determination be made for "the company," i.e., a particular wireless
27 company, and does not authorize the Commission to make a determination

1 for the wireless industry as a whole, as SCTC has requested. Second, the
2 determination concerns whether the company's wireless services compete
3 with "a local telecommunications service," which means that the
4 Commission may not consider competition with wireline services in general,
5 as SCTC's witnesses have proposed. Rather, the Commission must focus on
6 a particular local telecommunications service, provided by a particular
7 company, to make an assessment. Third, the Commission must consider
8 what criteria to apply in determining whether a wireless service "competes"
9 with a local telecommunications service. The term "competition" is not
10 defined in Subsection (E)(3), but rather in Subsection (G)(1).

11 **Q. Has SCTC admitted that Subsection (G)(1) applies to this case?**

12 A. Yes. In his direct testimony, in a question that also referred to Subsections
13 (E)(2) and (E)(3), Mr. Meredith was asked directly whether there are "other
14 sections of the code that address what competition is and where it exists."

15 He responded as follows:

16 Yes. Section 58-9-280(G)(1) provides the following guidance:

17 "Competition exists for a particular service if, for an
18 identifiable class or group of customers in an exchange,
19 group of exchanges, or other clearly defined
20 geographical area, the service, its functional equivalent,
21 or a substitute service is available from two or more
22 providers."

23
24 Based on this guidance, it appears that the evaluation of competition
25 requires a clearly defined geographic area.

26
27 (Meredith Dir. at 6.)

1 **Q. Has SCTC changed its position on these subsections?**

2 A. That is not entirely clear because its witnesses have taken different
3 positions. In his rebuttal testimony (at p. 5), Mr. Meredith appears to
4 criticize my initial testimony because he says it “assumes that [Subsection
5 (G)(1)] is the correct stand-alone definition of competition in this
6 proceeding,” but Mr. Meredith does not recant his previous testimony in
7 which he said that Subsection (G)(1) applies here. Mr. Thompson states in
8 his rebuttal testimony (at p. 2) that “it is not clear to me whether
9 [Subsection (G)(1)] applies in this proceeding” And Mr. Oliver goes on
10 at some length in his rebuttal testimony (at pp. 7 and 8) to argue that
11 Subsection (G)(1) does not apply to determinations made under Subsections
12 (E)(2) and (E)(3), which flatly contradicts Mr. Meredith’s direct testimony.

13 **Q. Has the Commission previously indicated whether Subsection (G)(1)**
14 **applies to a determination of whether wireless providers should be**
15 **required to contribute to the USF?**

16 A. Yes. In Commission Order No. 2001-419 in Docket No. 97-239-C, the
17 Commission determined that wireless carriers (except eligible
18 telecommunications carriers) were not required to contribute to the USF. In
19 reaching that conclusion, the Commission relied on the testimony of then-
20 Commission Executive Director Gary Walsh, who testified that “under §58-
21 9-280(G), the legislature has provided specific criteria that must be met to
22 determine whether or not a wireless service competes with a local exchange

1 service.” (Prefiled Direct Testimony of Gary E. Walsh, p.9, l.23 – p.10, l.5; Tr.
2 Vol. IV, p. 1128, Docket No. 97-239-C (July 17, 2000).)

3 **Q. As a practical matter, does it make sense for the Commission to look to**
4 **Subsection (G)(1) to define “competition” in this docket?**

5 A. Yes. The Commission must use some criteria to determine whether
6 competition exists between a particular wireless service and a particular
7 local telecommunications service. It makes sense for the Commission to use
8 the definition supplied in the very Code section (Section 58-9-280) that the
9 Commission is being asked to apply here.

10 **Q. What is the significance of SCTC’s misinterpretation of the competition**
11 **criteria in Subsections (E)(3) and (G)(1)?**

12 A. As a result of their misinterpretation, they have failed to offer testimony that
13 even attempts to meet these criteria, as I will discuss in the next section of
14 this testimony.

15

16 **III. THE ILEC WITNESSES FAIL TO ADDRESS THE STATUTORY CRITERIA IN**
17 **SECTIONS 58-9-280 (E)(3) AND (G)(1)**

18

19 **A. Competing Services**

20

21 **Q. In your responsive testimony, you stated that the SCTC witnesses failed**
22 **to identify particular services with which they allege a wireless**
23 **carrier’s service is competing. Did they correct this failing in their**
24 **rebuttal testimonies?**

25 A. No. The SCTC witnesses essentially reiterated the arguments from their
26 direct testimony, and I discuss in detail below at pp. 12-13 why those

1 witnesses' discussions are not consistent with the requirements in
2 Subsections (E)(3) and (G)(1).

3 **Q. Did any of the other witnesses identify particular services with which**
4 **they allege a wireless carrier's service is competing?**

5 A. No. Like the SCTC witnesses' direct and rebuttal testimony, the direct
6 testimonies of Mr. Lubeck (at 3) on behalf of CenturyLink, Ms. Miller (at 3)
7 on behalf of Frontier and Ms. Willis (at 4) on behalf of Windstream used
8 generic terms and did not reference any particular service offered by those
9 carriers in South Carolina. Likewise, Mr. Rozycki, testifying on behalf of
10 ORS, did not identify any such services.

11 **Q. Do the SCTC witnesses mention a particular wireless service in their**
12 **rebuttal discussions of alleged competition?**

13 A. No. The witnesses' discussions were again not specific with regard to
14 wireless services. They spoke in their direct testimony of fixed services
15 offered on a wireless basis, but they still have presented no evidence that
16 these specific services compete with any local telecommunications service
17 and otherwise meet the statutory criteria I have discussed.

18 **Q. Did the non-SCTC witnesses discuss any particular wireless service in**
19 **their rebuttal testimony?**

20 A. Generally, no. They all discuss wireless service, or voice service, in general
21 terms. Mr. Rozycki mentions (at 6-7) fixed services offered on a wireless
22 basis, but like the SCTC witnesses, he offers no evidence concerning whether
23 these service meet the statutory criteria.

1 **Q. What wireline and wireless services does Mr. Meredith assert the**
2 **Commission should consider?**

3 A. Mr. Meredith states that a relevant wireline or wireless service is “any
4 service where an end user sends and/or receives telephone calls via the
5 PSTN.” (Meredith Reb. At 4.)

6 **Q. Is Mr. Meredith’s contention consistent with the statutory criteria you**
7 **have described?**

8 A. No. For example, he ignores the requirement in Subsection (E)(3) that a
9 wireless service compete with a particular local telecommunications
10 service.

11

12 **B. Classes or Groups of Customers**

13 **Q. In their rebuttal testimony, did the SCTC’s witnesses present evidence**
14 **as to the classes of customers served by any of their local**
15 **telecommunications services?**

16 A. No. SCTC’s witnesses again refrained from providing specifics as to any
17 class or group of customers. Mr. Meredith highlights this point where he
18 states “[a] clear view of the facts demonstrates the ‘class or group of
19 customers’ comprises all users who subscribe to retail service plans that
20 enable the use of voice telecommunications.” (Meredith Reb. at 4.) Mr.
21 Meredith’s testimony is unhelpful to the Commission, because it simply
22 assumes away the statutory requirement to furnish evidence on a particular
23 class or group of customers.

1 Q. In their rebuttal testimony, did any other witnesses present evidence
2 regarding the classes of customers served by the company's local
3 telecommunications services?

4 A. No.

5

6 C. Clearly Defined Geographic Area

7 Q. In your responsive testimony you stated that none of the SCTC's
8 witnesses provided evidence of a clearly defined geographic area. Did
9 they describe a more clearly defined geographic area in their rebuttal
10 testimony?

11 A No. In his rebuttal testimony, Mr. Meredith maintains his position that the
12 "relevant geographic area" is the entire state of South Carolina. (Meredith
13 Reb. at 5.) Likewise, Mr. Thompson refers several times to wireless services
14 being available "in the State." He states "the coverage maps ... show that the
15 four major wireless telephone carriers have large networks in South
16 Carolina that cover much of the state, including many of the areas served by
17 the SCTC member companies." (Thompson Reb. at 4.) However, he makes
18 no attempt to describe how those networks overlay any SCTC member
19 company's territory. Mr. Oliver takes a similar approach. (Oliver Reb. at 8-
20 9.)

21

1 **Q. Does Mr. Meredith advance valid reasons why the entire state should**
2 **be the “clearly defined geographic area” for purposes of determining**
3 **whether a wireless service competes with a local telecommunications**
4 **service?**

5 A. No. He attempts to support this interpretation by noting that Subsection
6 (E)(3) refers to radio-based local exchange services and local
7 telecommunications services provided “in this state,” but that appears to me
8 simply to mean that the Commission may not make its determination based
9 on alleged competition in other states. Moreover, Mr. Meredith’s
10 interpretation conflicts with the requirements in Subsections (E)(3) and
11 (G)(1) that a carrier providing radio-based local exchange services must
12 compete with a particular “local telecommunications service” in “an
13 exchange, group of exchanges or other clearly defined geographic area.” Mr.
14 Meredith also asserts that other USF contributors are identified and
15 assessed based on their operation in the state, but this argument lacks merit
16 because Subsections (E)(3) and (G)(1) do not apply to those carriers.

17 **Q. Do the other witnesses present evidence specific to any clearly defined**
18 **geographic area in their responsive testimony?**

19 A. No.

20

1 **D. Provision of a Functionally Equivalent or Substitute Service**

2 **Q. In your responsive testimony, you explained that the SCTC witnesses**
3 **had not provided evidence in their direct testimony demonstrating**
4 **that any particular wireless carrier’s service is the functional**
5 **equivalent of or a substitute for any local telecommunications service.**
6 **Did they address that omission in their rebuttal testimony?**

7 A. No. Mr. Thompson maintains his position that services provided by both
8 wireline and wireless carriers are functionally equivalent because they both
9 meet the definition of local exchange service, and that particular retail
10 service offerings are irrelevant. (Thompson Reb. at 7.) Likewise, Mr.
11 Meredith asserts that wireline and wireless services are functionally
12 equivalent because they both permit telephone calls to be sent and received
13 over the public switched telephone network. (Meredith Reb. at 3.)

14 **Q. Is the approach taken by Mr. Thompson and Mr. Meredith consistent**
15 **with the requirements in Subsections (E)(3) and (G)(1)?**

16 A. No. As I have explained, these provisions require the comparison of a
17 particular wireless *service* with a particular local telecommunications
18 *service*. A service includes not only a set of functionalities but also the rates,
19 terms and conditions that apply to that service. Information as to the rates,
20 terms and conditions of the services being compared is necessary to
21 distinguish one service from another, and without that information, we
22 don’t know whether we’re “comparing apples to apples.”

1 All-distance wireless services provide a different set of
2 functionalities than local telecommunications services in part because the
3 wireless subscriber may make calls nationwide (and perhaps even beyond),
4 not just in the local area where the customer happens to be when he or she
5 is making a call. Moreover, the rates, terms and conditions for wireless
6 services offered in South Carolina are markedly different than for local
7 telecommunications services. Because of the many features offered by
8 wireless service that are not offered for local telecommunications services,
9 including mobility, the average wireless customer's bill for service is
10 significantly higher than bills for the basic local exchange services that the
11 SCTC companies offer to residential end users. According to CTIA's Annual
12 Wireless Survey Results, released September 2015, the average monthly
13 revenue per unit for the wireless industry in 2014 was \$46.64 (and average
14 monthly rates can be expected to equal or exceed average monthly revenue
15 per unit). In contrast, most of the SCTC companies offer basic local
16 exchange services to their residential subscribers at monthly rates in the
17 range of \$14.00 to \$16.00 per month, with one company offering service at a
18 monthly rate below \$11.00. The SCTC witnesses offer no testimony as to
19 how services priced so differently could compete with one another.
20

1 **Q. How do you respond to Mr. Thompson’s rebuttal testimony that again**
2 **cites to the Local Competition Report by the FCC’s Industry Analysis**
3 **division in support of his claim that wireless and wireline services are**
4 **“substitutes?”**

5 A. The FCC’s report contains an important caveat that Mr. Thompson fails to
6 address – it states that the “report does not constitute, or imply, Commission
7 analysis of the extent to which wireline and mobile wireless telephone
8 services are demand substitutes or complements in general or in any
9 particular situation.” (P. 1, footnote 3, Local Telephone Competition: Status
10 as of December 2013; Industry Analysis and Technology Division, Wireline
11 Competition Bureau, October 2014.) More to the point, the FCC’s report
12 does not compare any particular wireless service to any particular local
13 telecommunications service, so it is not useful to the analysis that is
14 required in this case.

15 **Q. In your responsive testimony, you noted that the information relied**
16 **upon by SCTC’s witnesses not only failed to address the statutory**
17 **criteria, but also was flawed for other reasons. Did they remedy those**
18 **flaws in their rebuttal testimony?**

19 A. No. Not only do they still fail to address the applicable statutory criteria, but
20 what little new evidence the SCTC witnesses provide in their rebuttal
21 testimony is just as flawed as what they provided in their direct testimony.
22 For example, in my responsive testimony (at 14-15) I explained that

1 evidence of wireless coverage (such as maps) does not demonstrate that any
2 degree of competition exists in the covered area because wireless carriers
3 provide service to customers regardless of whether they live in the area or
4 are passing through. Mr. Thompson tries to respond to this point by noting
5 that wireless carriers have retail stores in South Carolina (Thompson Reb.
6 at 4), but he again misses the point because customers buy wireless phones
7 without regard to the local service area where the store happens to be
8 located.

9 In my responsive testimony (at 15-16), I explained why the evidence
10 SCTC witnesses presented concerning telephone number blocks assigned to
11 wireless carriers was not helpful, among other reasons, because we do not
12 know how many numbers in each block were being utilized. Mr. Staurulakis
13 acknowledges that we do not know the utilization rates, but states that the
14 national wireless utilization rate as of June 30, 2010 was 66.8%.
15 (Staurulakis Reb. at 7.) He admits this data “may be somewhat dated,” but
16 fails to acknowledge that national utilization rates may be quite different
17 from utilization rates in individual states or areas within a state. His new
18 information therefore does not cure the defects in his number block
19 testimony.

20 I also explained (at 16) that evidence concerning the quantity of
21 number blocks assigned to wireless carriers was problematic because many
22 customers with wireless service also use wireline service. Mr. Meredith
23 responds that some of these “dual use” customers “mostly” use wireless

1 service. But whatever the usage pattern of those customers may be, they
2 continue to keep and pay for wireline service, showing that they have not
3 replaced one service with the other.

4 **Q. Did CenturyLink, Frontier, Windstream and ORS provide the same kind**
5 **of information in their direct testimony that was provided by the SCTC**
6 **witnesses?**

7 A. Yes. They provided the same kind of non-specific information that failed to
8 address the statutory criteria. The evidence they rely on is flawed for the
9 same reasons that I have discussed with regard to the SCTC witnesses.

10 **Q. Do those other witnesses present evidence concerning whether any**
11 **particular wireless carrier's service is the functional equivalent of or a**
12 **substitute for any local telecommunications service?**

13 A. No.

14
15 **E. Summary**

16 **Q. Please summarize your discussion of the evidence that other witnesses**
17 **have presented on how the statutory criteria should be applied.**

18 A. In spite of the points made in my responsive testimony, the SCTC witnesses
19 have failed to present information that addresses the applicable statutory
20 criteria. They do not identify any particular wireless services or local
21 telecommunications services, and provide no evidence on classes of
22 customers or specific geographic areas for particular incumbent local
23 exchange carriers (ILECs). And even with two separate rounds of testimony,

1 they have failed to show that any wireless carrier offers a functional
2 equivalent or substitute for any of the SCTC members' local
3 telecommunications services. The other witnesses also fail to provide such
4 evidence.

5
6 **IV. REMAINING ISSUES**

7 **Q. Did the SCTC witnesses take issue with your discussion regarding how**
8 **the networks of wireless carriers and local exchange carriers**
9 **interconnect?**

10 A. No, not in any substantive way. However, Mr. Oliver presented a somewhat
11 convoluted discussion of highways and roadways (Oliver Reb at 3-4) that
12 raises several issues pertinent to SCTC's posture in this proceeding. I would
13 first draw attention to Mr. Oliver's suggestion that policy makers should
14 differentiate various "highways and roadways" – i.e., communications
15 networks – and establish compensation policies giving special treatment to
16 some networks solely on the basis of who builds and maintains those
17 networks. This model reflects an outdated telecommunications landscape,
18 one where consumers were isolated by their own provider's network and
19 had no expectations of an interconnected world. The reality today is that **all**
20 providers rely on each other to maintain and operate their respective
21 networks. Mr. Oliver's suggestion is in conflict with this reality. In
22 articulating its inter-carrier compensation reforms in 2011, that reality was
23 recognized by the FCC, when it stated:

1 Under bill-and-keep, carriers look first to their subscribers to
2 cover the costs of the network, then to explicit universal
3 service support where necessary.

4 FCC USF Transformation Order, ¶34. The FCC's policy principle applies to
5 all providers' networks, so Mr. Oliver's suggestion is contrary to federal
6 policy. Furthermore, Mr. Oliver's construct of a "preferred" network
7 provider is contrary to common sense, which dictates that interconnecting
8 networks of all providers represent a general societal good that benefits all
9 customers. When one of Mr. Oliver's customers uses her basic local
10 exchange service to place a call to a wireless customer, the completion of
11 that call is contingent on the proper design, maintenance and operation of
12 the destination wireless network by the network operator. So, the FCC's
13 model is that every provider should "look first to [its] subscribers" to cover
14 its costs. Only in special, identifiable circumstances should a provider be
15 permitted to impose its network costs on other providers' customers. And
16 this policy principle is consistent with the notion that each provider has
17 appropriate incentives to operate efficiently.

18 Q. **Does this discussion have any bearing on Mr. Oliver's testimony and**
19 **his notion of "simple equity?"**

20 A. Yes. At p. 10 of his rebuttal testimony, Mr. Oliver states that "simple equity
21 calls for all who use something to help pay for it." In context, it appears that
22 Mr. Oliver's understanding of "simple equity" is at odds with the FCC's
23 model, in which every network provider's costs are recovered largely, if not
24 entirely, from its own subscribers.

1 **Q. How do you respond to Mr. Oliver’s rebuttal testimony (at 3) that**
2 **“universal fees are not taxes?”**

3 A. As noted above, the FCC recognized that “American consumers and
4 businesses ultimately pay for USF.” Regardless of what label is chosen, such
5 fees have the effect of taking money out of consumers’ pockets. Mr. Oliver
6 also suggests that imposing this tax on South Carolina’s 4.5 million wireless
7 subscribers is necessary “to help support [a universally available] network,”
8 although he does not provide further explanation to support his conclusion,
9 and as I have noted, does not address any of the statutory criteria.
10 Furthermore, Mr. Oliver does not acknowledge that wireless carriers pay
11 tens of millions of dollars annually in switched and special access charges to
12 the SCTC member companies.

13 **Q. How do you respond to Mr. Staurulakis’ assertion that the SCTC**
14 **member companies do not recover their costs of providing special**
15 **access services to wireless companies?**

16 A. First, I note that Mr. Staurulakis did not dispute the estimated figure I
17 suggested of \$16M per year in revenues for those backhaul services, and did
18 not dispute my statement that the SCTC companies are compensated
19 handsomely for providing those circuits. Instead, he pivoted to a discussion
20 of “the total revenue requirement to build, operate and maintain rural
21 carrier networks capable of delivering high quality voice communications to
22 all South Carolina citizens, including those in high-cost areas of the state.”
23 (Staurulakis Reb. at 3.) Importantly, only one ILEC in South Carolina is

1 operating under a rate-of-return regulatory structure (see Rozycki Exhibit
2 CJR-1, p. 13), so his mention of a “revenue requirement” has no relevance to
3 the South Carolina regulatory environment. Even assuming that that his
4 discussion were pertinent, Mr. Staurulakis fails to explain why it justifies
5 requiring the entire wireless industry to contribute to the USF when it is
6 already paying tens of millions of dollars to SCTC members that they can use
7 to support their networks.

8 **Q. Does this conclude your surrebuttal testimony at this time?**

9 A. Yes.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2015-290-C

IN RE:

Petition of the South Carolina
Telephone Coalition for a Determination)
that Wireless Carriers are Providing)
Radio-Based Local Exchange Services)
in South Carolina that Compete with)
Local Telecommunications Services)
Provided in the State)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day, the Surrebuttal Testimony of Don Price, as follows:

VIA ELECTRONIC MAIL SERVICE

F. David Butler, Esq.
Senior Counsel
South Carolina Public Service Commission
PO Box 11649
Columbia, South Carolina 29211
david.butler@psc.sc.gov

VIA ELECTRONIC MAIL SERVICE

M. John Bowen, Jr., Esq.
Margaret M. Fox, Esq.
Brad Wright, Esq.
McNair Law Firm, P.A.
P.O. Box 11390
Columbia, South Carolina 29211
jbowen@mcnair.net
pfox@mcnair.net
bwright@mcnair.net

VIA ELECTRONIC MAIL SERVICE

Andrew M. Bateman, Esq.
Jeffrey M. Nelson, Esq.
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC, 29201
abateman@regstaff.sc.gov
jnelson@regstaff.sc.gov

VIA ELECTRONIC MAIL SERVICE

Charles L.A. Terreni, Esq.
Terreni Law Firm, LLC
1508 Lady Street
Columbia, SC, 29201
charles.terreni@terrenilaw.com

VIA ELECTRONIC MAIL SERVICE

Scott Elliott, Esq.
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, SC, 29201
selliott@elliottlaw.us

VIA ELECTRONIC MAIL SERVICE

Jeanne Stockman, Esq.
CenturyLink
14111 Capital Blvd.
Wake Forest, NC, 27587
Jeanne.w.stockman@centurylink.com

VIA ELECTRONIC MAIL SERVICE

Frank R. Ellerbe, III, Esq.
Bonnie D. Shealy, Esq.
Robinson, McFadden & Moore, P.C.
P.O. Box 944
Columbia, SC, 29202
fellerbe@robinsonlaw.com
bshealy@robinsonlaw.com

VIA ELECTRONIC MAIL SERVICE

Burnet R. Maybank III, Esq.
Nexsen Pruet, LLC
P.O. Box 2426
Columbia, SC, 29202
BMaybank@nexsenpruet.com

VIA ELECTRONIC MAIL SERVICE

C. Jo Anne Wessinger Hill, Esq.
Steven W. Hamm, Esq.
Richardson, Plowden & Robinson, P.A.
P.O. Drawer 7788
Columbia, SC, 29202
jhill@richardsonplowden.com
swhamm@richardsonplowden.com

VIA ELECTRONIC MAIL SERVICE

William E. Durant, Jr., Esq.
Schwartz, McLeod, DuRant and Jordan
10 Law Range
Sumter, SC 29150
gdurant@legaloff.net

VIA ELECTRONIC MAIL SERVICE

Patrick W. Turner, Esq.
Bellsouth Telecommunications, LLC
d/b/a AT&T South Carolina
675 W. Peachtree Street, NW, Suite 4323
Atlanta, GA 30308
pt1285@att.com

s/ Victoria Moody
Paralegal

October 27, 2015
Columbia, South Carolina